

# **PUBLIC SERVICE COMMISSION OF WISCONSIN**

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## **Memorandum**

July 27, 2000

TO: Chairperson Ave M. Bie  
Commissioner Joseph P. Mettner  
Commissioner John H. Farrow  
Robert Garvin, Executive Assistant  
Edward Marion, Chief Counsel  
Division Administrators

FROM: James L. Lawrence, Consumer Affairs Program Manager  
Division of Water, Compliance and Consumer Affairs

RE: 1. 2000 First Half Consumer Contact Report  
2. First Half Report on Contacts Regarding Major Utilities

### **Introduction**

This report has two sections – first half consumer contact statistics and analysis and contact information for major individual utilities.

We are now in the third year of using the new Consumer Contact Reporting System. The new system uses a revised coding structure for complaints and other contacts, so there are several changes in the information provided in the report. However, we can now compare statistics to the previous two years and do more trend analysis.

Please let me know if you have any questions, suggestions for improving the report or additional information you would like to see included.

### **Definitions**

The following definitions will assist readers in interpreting the statistics in this report.

Consumer contacts are recorded as complaints, inquiries or opinions. The definitions of the contact types are:

- **Complaint:** A contact from a consumer expressing dissatisfaction with an action, practice or conduct of a utility and/or its employees. Also includes contacts expressing dissatisfaction with an action, practice or conduct of the Public Service Commission or entities which the public considers to be similar to regulated utilities, such as cable television, sewer, electric coops, cellular phones and Internet service providers. Complaints may or may not conclude with a determination of error or administrative rule/statute violation on the part of the company.
- **Inquiry:** A contact from a consumer or utility to solicit or verify information regarding utility or PSC service, practices, rules, administrative rules, statutes, etc. If, after being

given the information, a consumer expresses disagreement or dissatisfaction, the contact should be coded as a complaint.

- **Opinion:** A consumer contact with the PSC to voice views on a particular pending issue or condition, such as a pending rate case, proposed rules, a proposed service offering, proposed mergers, etc. If after the Commission, or another body, has made a decision on an issue, we get contacts expressing dissatisfaction with the decision, the contact is recorded as a complaint.

The consumer contact reporting system requires staff, for each informal complaint closed, to make a determination as to whether or not the substance of the complaint was justified.

Realizing that this may often be a subjective decision, staff use the following definitions when making their determinations:

- **Complaint was justified:** This code is used if the substance of the complaint is found to be generally valid. This will always be the case if it is determined that a law or PSC Administrative Rule was violated. A complaint can be valid even if there is not a violation of a rule or statute. For example, the utility may have made an error in posting a bill payment, or a utility employee may be found to have been unreasonably rude in dealing with a customer.
- **Complaint was not justified:** This code is used if the substance of the complaint is not found to be valid, i.e. the utility was not at fault and met PSC expectations in working with the customer.
- **Complaint was partially justified:** This code is used if it cannot be determined that the complaint was completely valid or justified, but that the utility could have taken actions to avoid the complaint. For example, no rule or statute was violated but better customer education or a better explanation to the customer was warranted.
- **Undecided – not enough information:** This code is used if there is not enough information to make a reasonable determination as to the validity of the complaint. Staff are encouraged to make a determination whenever possible – use of the code should be minimal.
- **Not applicable:** This code is used whenever recording an initial staff determination regarding the contact is not applicable, for example, when the consumer contact is recorded as an inquiry or opinion – not a complaint.

## First Half Report

### Consumer Contacts Increase

The number of 2000 first half consumer contacts to the Commission increased by 130 from the first half of 1999. There were 5,589 contacts.

Contacts –First Half	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	2000 Total	Change From Last Year
Complaints	2,152	3,264	5,416	+138
Inquiries	70	59	129	+1
Opinions	19	25	44	-9
Total	2,241	3,348	5,589	+130

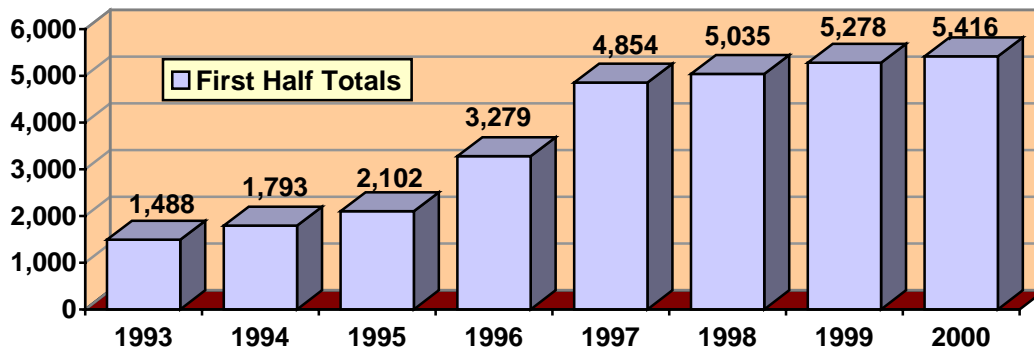
- Note: Statistics may be different from past reports because records are corrected when recording errors are discovered after a prior report date.

### New Record

The PSC received a record number of consumer complaints during the first half of 2000. The **5,416** complaints recorded exceeds the previous record of 5,278 set in the first half of last year. The first half complaints were a 7 percent increase over the 5,080 received in the last half of 1999 and a 3 percent increase from the 5,278 received in the first half last year. The first half totals have increased each year since 1993 (see graph on page 3).

If we use the first half totals to project, 10,832 complaints will be taken in 2000. In 1999 we received 10,366 complaints.

### First Half Total Complaints



## Complaint Validity

Readers should note that following Commission staff investigation of complaints utilities were found to be meeting Commission expectations in 62.5 percent of the cases.

The statistics for the first half were:

Informal Staff Determination	1 <sup>st</sup> Half	
	#	%
Justified	998	22.2
Partially Justified	684	15.3
Not Justified	2,165	48.3
Undecided-Not Enough Information	575	12.8
Not Applicable	62	1.4
Total Closed	4,484	

Note: This data is for first half complaints closed as of July 10, 2000.

Combining the totals for justified and partially justified complaints indicates that utilities were not meeting PSC expectations for working with customers in 37.5 percent of the complaints closed in the first half. This is an improvement of 9.3 percentage points from the first half last year. In 1999, 46.8 percent were determined by staff to be at least partly justified.

## Change by Industry

Compared to the first half of 1999, the number of complaints received increased in every utility category except natural gas.

Electric complaints increased by 88 (8 percent). This increase can be largely attributed to an increase for Wisconsin Electric Power Company of 79 over the first half last year.

Natural gas complaints decreased from the number of complaints in the first half last year, going from 379 to 310, an 18 percent decrease. This can be explained by a decrease of 39 Wisconsin Gas Company complaints from the first half last year.

Water complaints went from 115 in 1999 to 127 in 2000, a 10 percent increase. Milwaukee Water Utility complaints increased by 10 over the first half last year. Most water complaints involve metering and usage disputes, although there were 12 complaints regarding high water rates. Water rates increase an average of 7 percent per year.

The increase in miscellaneous complaints was caused by 36 complaints from mobile home park owners regarding their PSC assessments.

## Telecommunications

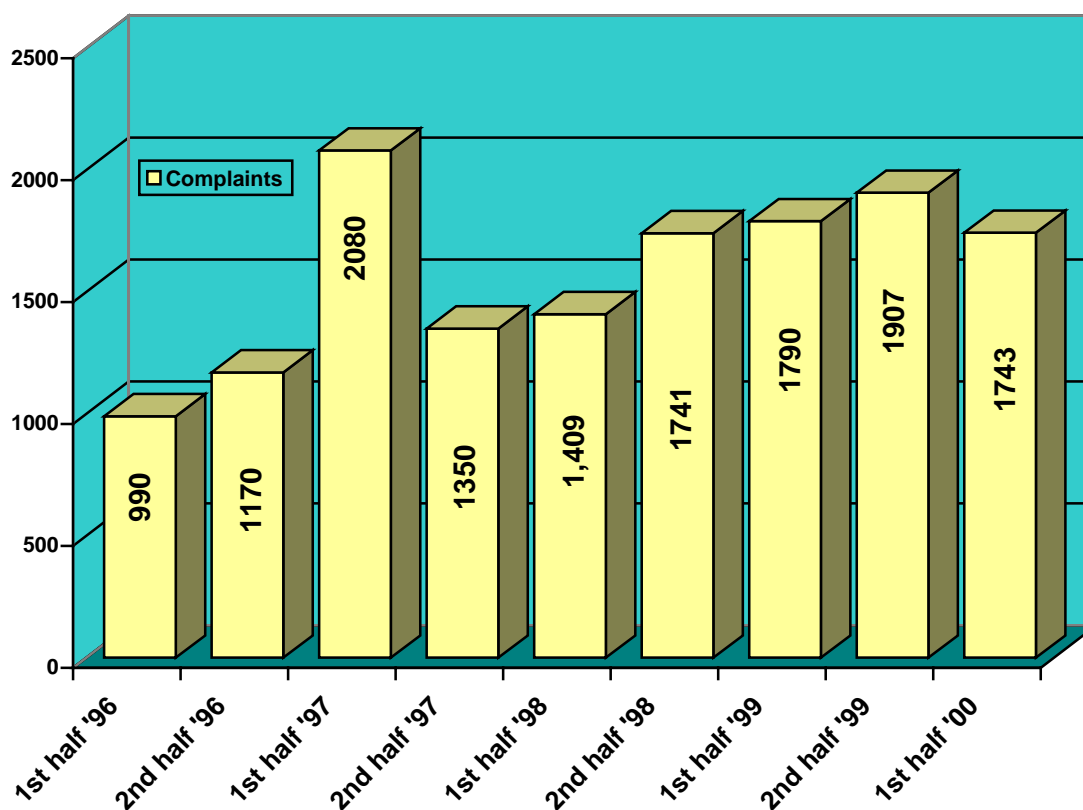
We received 3,738 telecommunications complaints this half, which is 69 percent of the total complaints taken. This is the same as the percentage of the total in the first half of 1999. Telecommunications complaints increased by 198 (6 percent) over the last half and increased by 3 percent over the first half of 1999.

The increase in telecommunications complaints is largely explained by an increase in AT&T complaints of 262 (from 404 to 666), a 64 percent increase. This increase was primarily in billing related complaints such as being charged a rate different from the rate expected or other alleged billing errors. There was also an increase of 46 in complaints related to extremely high charges for operator assisted calls for calls completed after accessing AT&T directory assistance. The cost was not disclosed to customers prior to their use of the service. The Commission issued a Consumer Alert regarding this practice.

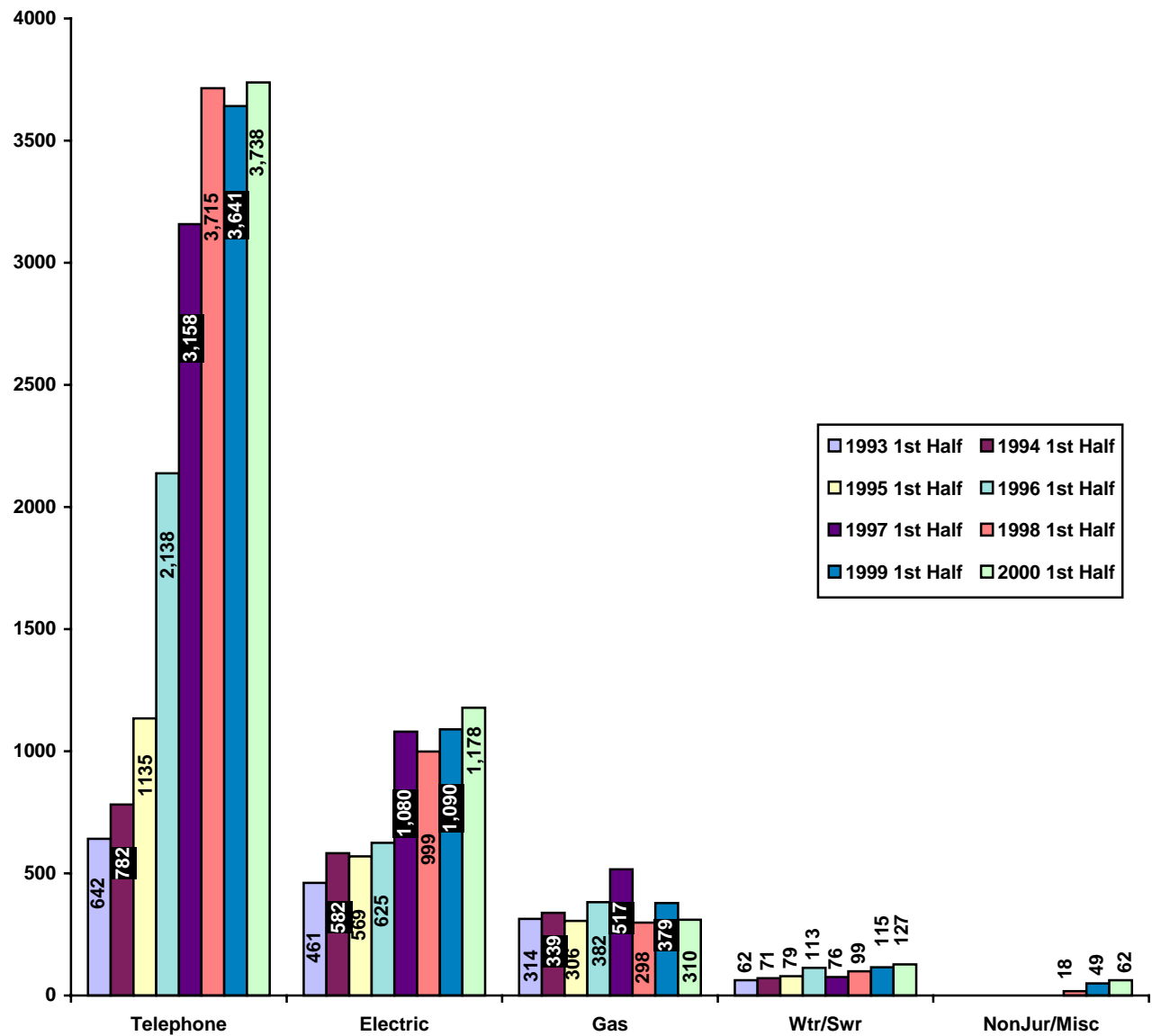
MCI complaints decreased by 11 from the last half of 1999.

There were 1,743 Ameritech complaints this half, 47 percent of the total telephone complaints. This is a 9 percent decrease from last half and a 3 percent decrease from the first half of last year. The majority of the complaints continue to be related to billing and credit issues – 55 percent. However, disconnection related complaints decreased by 217, from 635 to 418. Complaints regarding repair service or outages increased by 90. Wisconsin experienced extremely wet weather this spring and early summer. Complaints regarding obtaining initial phone service increased by 33.

The following graph shows the trend for Ameritech:



This graph shows first half trends by industry:



## Complaints by Category

The following table shows complaints by the broad areas of billing and credit, service, provider to provider issues and other. There are also subcategories of billing and credit and service. A table attached to the report shows quarterly and year-to-date totals for the complaint categories by utility type.

<b>Billing and Credit</b>	<b>2000 1<sup>st</sup> Half</b>	<b>1999 1<sup>st</sup> Half</b>	<b>% Change</b>
Accuracy of Bills	1,025	1,139	-10
Billing and Credit Procedures	766	802	-4
Disconnection and Other Terminations	1,309	1,360	-4
Rates and Tariffs	453	388	+17
Other Billing and Credit	192	169	+14
<b>Total Billing and Credit</b>	<b>2,745</b>	<b>3,858</b>	<b>-3</b>
<b>Service</b>			
Obtaining Service	530	395	+34
Quality of Service	503	546	-8
Technical/Equipment Related Service Issues	19	17	+12
Customer Assistance/Pilot Programs	53	58	-9
Damage/Safety/Facility Location	29	40	-28
Other Utility Service Related Issues	257	174	+48
<b>Total Service</b>	<b>1,391</b>	<b>1,230</b>	<b>+13</b>
<b>Provider to Provider Issues</b>	<b>33</b>	<b>17</b>	<b>+94</b>
<b>Other</b>	<b>247</b>	<b>173</b>	<b>+43</b>
<b>Grand Totals</b>	<b>5,416</b>	<b>5,278</b>	<b>+3</b>

Definitions of the complaint categories are available upon request.

Billing and credit complaints were about the same as the first half last year (-3 percent). Billing complaints were 69 percent of the total complaints taken. The increase in the rates and tariffs category is caused by complaints from customers who claim the rate charged by long distance carriers is not the rate they were expecting.

Service related complaints increased by 161 (13 percent) over last year. Service complaints were 26 percent of the total. Last year they were 23 percent of the total. The increases were in the categories of other utility service related issues and obtaining service. In the "other" category the largest increase was in directory information/operator services complaints (71). These were complaints about the cost of AT&T operator assisted calls and increases in the cost of directory assistance by other companies. There was also an increase of 23 for telephone directory listing errors. The obtaining service complaints increase was from customers who were experiencing difficulties in moving from an incumbent local service provider to a competitive local service company (+56) and complaints regarding problems in obtaining initial or changed service (+69).

The most prevalent types of complaints for the first half in each category are:

#### Billing and Credit

Accuracy of Bills -	Charged incorrect rate (296), other billing errors (239), disputed amount of use (173), slamming (147), and bill for service or feature not ordered (145).
Billing Procedures -	Deferred payment agreement (193), responsible party for billing (178), backbilling (101), payment posting issues (77), and pay per call billing (75)
Disconnection and Other Terminations -	Disconnection threat (775), and disconnected – nonpayment (487).
Rates & Tariffs -	High rate (150), minimum bill/customer charge (118), access charges (56), other rates and tariffs (49), and per minute charges for ISP access (43).

#### Service

Obtaining Service -	Initial service (135), additional or changed service (132), customer change to provider of choice (110), toll and other phone service restrictions (59), refused service (52), and proof of residence/ID (42).
Quality of Service -	Repair service (230), outage/loss of service (130), access to customer service (98).

Some notable increases from the last half of 1999 were:

Charged incorrect rate (+161, 135 to 296)  
Directory information/operator services (+69, 13 to 82)  
Repair service (+68, 162 to 230)  
Deferred payment agreement (+58, 135 to 193)  
Per minute charges for ISP access (+43, 0 to 43)  
Other billing errors (+40, 199 to 239)  
Responsible party for billing (+40, 138 to 178)  
Backbilling (+40, 61 to 101)  
Bill for service of feature not ordered (+33, 112 to 145)  
High rate (+32, 118 to 150)  
Disputed amount of use (+30, 143 to 173)  
Unwanted calls from telemarketers (+26, 28 to 54)  
Pay per call billing (900/976/700 #s) (+23, 52 to 75)  
Early Identification Programs (+21, 5 to 26)

The charged incorrect rate complaints are primarily from customers of interexchange carriers who claim they are billed at a different rate than what they were told the rate would be when they accepted the service. This could be considered a variation of slamming, except that the customer initially agrees to the carrier switch. AT&T had 140 of these complaints, while MCI had 69.



The directory information/operator services complaints were primarily concerning high costs for these services, specifically for AT&T charging \$9.99 for operator assisted calls when the operator connects a call for the customer after locating the requested number. The cost for this service is not divulged unless the customer asks. An increase in the basic cost for directory assistance also prompted 26 Ameritech complaints.

The repair service complaints were primarily from Ameritech (172) and GTE (18). The companies attribute the repair problems to the unusually wet weather this spring.

Much of the deferred payment arrangement increase comes from Wisconsin Electric Power Company (WEPCO), which continues aggressive processes to collect from customers with bill arrearages.

The responsible party for billing complaints are disputes regarding attempts to collect past final bills. The complainants allege that the bill is not their responsibility. These disputes are often the result of service that may have been fraudulently obtained and from landlord tenant disputes. Most of these complaints are regarding WEPCO (53), Ameritech (45) and Wisconsin Gas Company (28).

The backbilling complaints are primarily from WEPCO and are the result of meter readings not being obtained for long periods of time, and in some cases meters of customers in multiunit dwellings being switched. After meeting with Commission staff, WEPCO initiated process improvements to correct these problems. The new processes may be contributing to the increase in these complaints.

Some notable decreases from last half were:

- Access to customer service (-160, 258 to 98)
- Disconnected – nonpayment (-135, 622 to 487)
- Disconnection threat (-130, 905 to 775)

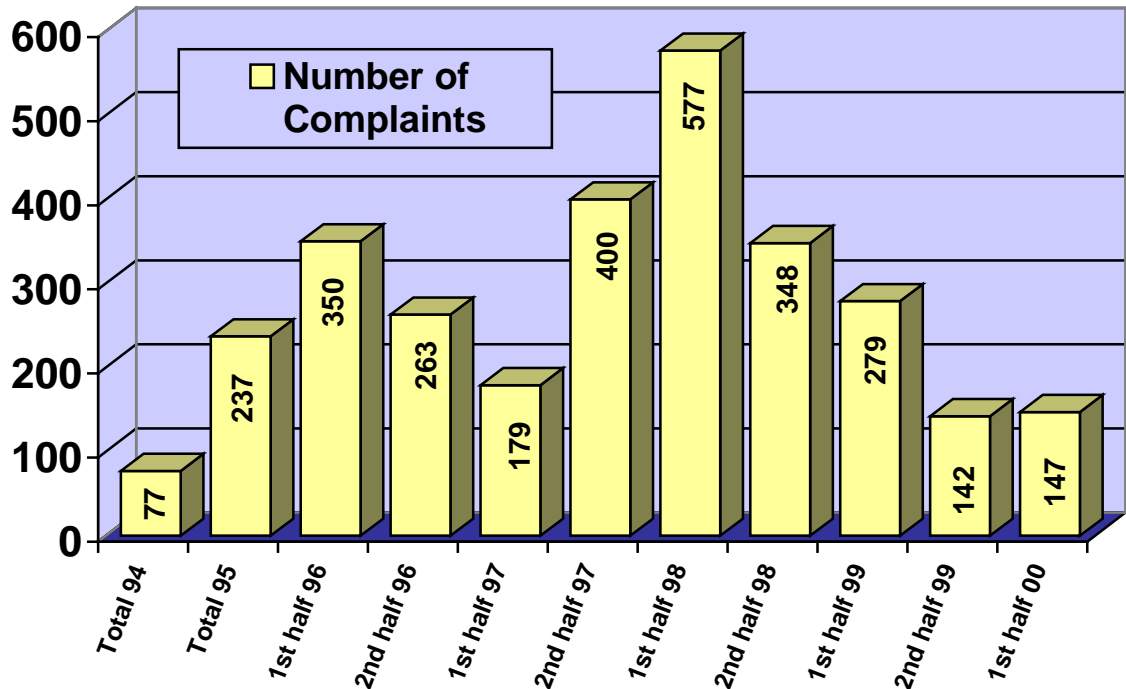
The decrease in access to customer service complaints occurred because there had been a large increase in these complaints for Ameritech in 1999, particularly in the first half of the year. Ameritech's corrective actions have resulted in a reduction of 135 complaints from last half (172 to 37).

The decrease in disconnection related complaints also can be attributed to Ameritech. Their complaints decreased by 217 (635 to 418).

## **Slamming**

Slamming complaints have stabilized at a lower level, with 147 complaints in the first half of 2000. This is the second lowest half-year total since 1995. New FCC Rules concerning slamming and stepped-up FCC enforcement actions seem to be having an effect. The new slamming rules, which took effect last April, no longer allow the "Welcome Package" method of verification of a switch in long distance providers.

## Slamming



Note: Prior to September 1, 1995, slamming complaints were included within a broader complaint code called “sales practices”, so the numbers for slamming prior to September 1995 may be slightly inflated. After slamming was given a unique code, there were 11 sales practice complaints recorded in 1995.

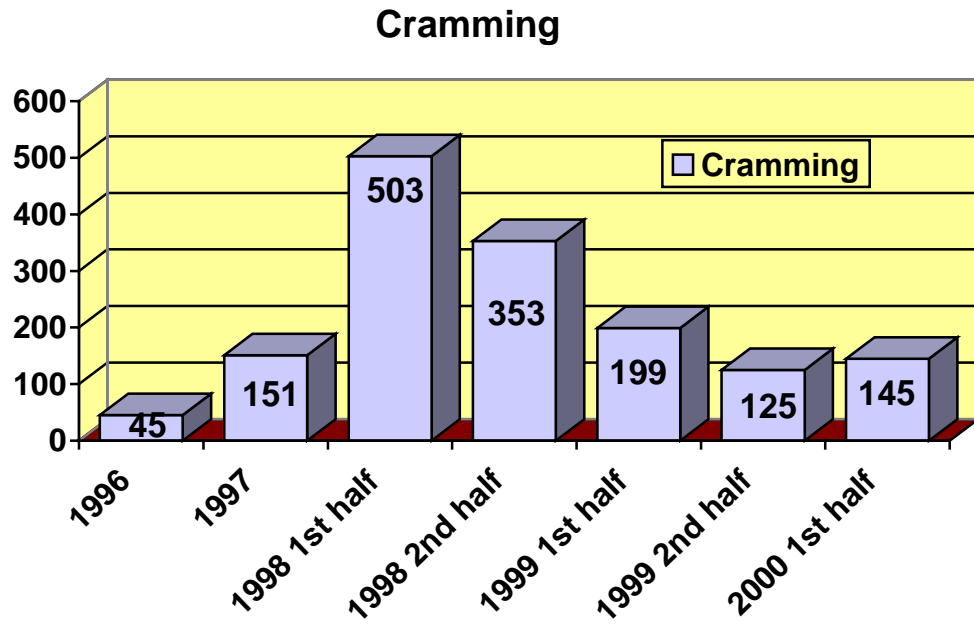
During the first half, the interexchange carriers and resellers with the largest numbers of complaints were:

MCI .....	40
AT & T .....	14
Qwest Communications .....	12
Sprint .....	7
Excel.....	7

## Cramming

The number of complaints regarding unauthorized adding of charges to the phone bill – known as “cramming” – has increased slightly after a downward trend. The 145 complaints recorded is the second lowest half-year total since 1997, when cramming first began to be a serious problem. A factor in the decrease may be increased efforts by local exchange companies to combat cramming. An example of these efforts is canceling billing agreements with third party service providers which have large numbers of complaints. In addition, Ameritech began using a revised billing format which allowed customers to more easily spot unauthorized charges.

Most cramming complaints involved business which are not certified telecommunications companies.



## **Complaints for Major Utilities**

This section includes two tables. The first table provides information on the number of complaints received for the first two quarters and the first six months total for each of the major utilities in each industry. The second table gives first half information on the number of complaints per thousand customers (or access lines for telecommunication local exchange carriers). Customer/access line information is not available for the interexchange carriers. The information on customers/access lines comes from the annual reports which utilities file with the PSC. For comparison purposes, first half statistics for 1999 are also included.

Some observations from the total complaints table:

- Ameritech complaints were virtually unchanged, with a decrease of 3 percent from last year. Disconnection related complaints decreased from last year, but complaints regarding repair service or outages increased. Southern Wisconsin experienced extremely wet weather this spring and early summer.
- Statistics for CenturyTel of Wisconsin are added to the chart. With recent acquisitions, they are now one of the state's largest telecommunications utilities.
- AT&T complaints increased by 450 (208 percent). This increase was caused by complaints such as being charged a rate different from the rate expected or other billing errors, monthly minimum charges, confusion over access charges, access to customer service and extremely high charges for operator assisted calls for calls completed after accessing AT&T directory assistance.
- MCI complaints decreased by 31 percent as a result of fewer billing related complaints.
- Wisconsin Electric Power Company complaints increased by 74 (9 percent), Wisconsin Public Service Corporation increased by 41 (51 percent) and Alliant increased by 22 (15 percent). The increases were primarily in complaints regarding disconnection for nonpayment and reflect more aggressive bill collection practices for both companies.
- Wisconsin Gas Company complaints decreased 39 percent. Wisconsin Gas instituted some new collections procedures at the beginning of 1998 and this is having a continuing effect on the reduction of complaints. The new procedures were the result of a reengineering project.
- Complaints for Milwaukee Water increased by 10 (24 percent). The majority of the complaints were metering and usage disputes.

Some observations from the "complaints per thousand customers" table:

- The complaint rate decreased for both Ameritech and GTE. Ameritech's complaint rate is significantly higher than GTE for the first half of 2000.
- The natural gas related complaint rate decreased or stayed the same for all companies.

- The electric complaint rate increased for Wisconsin Public Service Corporation, Wisconsin Electric Power Company, and Alliant. The complaint rate decreased significantly for Northern States Power Company (-0.12) and Madison Gas and Electric Company (-0.10).
- Northern State Power Company had the lowest complaint rate for the first half of 2000 of all the larger utilities, replacing Wisconsin Public Service Corporation, which had held that distinction for the past several reports.
- There are higher complaint rates for electric utility customers than for gas utility customers.
- The complaint rate for Milwaukee Water increased by 0.14. This has been a trend for the past two years.

## Complaints by Major Utilities – 2000

	<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>1<sup>st</sup> Half '00</u>	<u>1<sup>st</sup> Half '99</u>
<b>Telecommunications</b>				
<u>Local Exchange Carriers</u>				
Ameritech	778	965	1743	1790
GTE	113	116	229	231
CenturyTel	71	57	128	135
<u>Interexchange Carriers</u>				
AT&T	293	373	666	216
MCI	163	143	306	443
Sprint	22	23	45	52
<b>Energy Utilities</b>				
<u>Gas Only</u>				
Wisconsin Gas	41	122	163	202
Wisconsin Fuel & Light	2	0	2	7
<u>Gas and Electric</u>				
Wisconsin Electric Power	146	718	864	790
Wisconsin Public Service Corp.	22	100	122	81
Northern States Power	17	41	58	92
Madison Gas & Electric	11	61	72	92
<u>Gas, Electric &amp; Water</u>				
Alliant	42	126	168	146
Superior Water, Light & Power	1	6	7	19
<b>Water Utilities</b>				
Milwaukee Water	21	30	51	41

## Complaints Per 1,000 Customers/Access Lines First Half 2000

	<u>Access Lines<sup>1</sup></u>	<u>Total Complaints</u>	<u>Per 1,000</u> <u>2000</u>	<u>1999</u>
<u>Telephone</u>				
Ameritech	2,174,074	1,743	0.80	0.84
GTE	525,100	229	0.44	0.46
CenturyTel	359,145	128	0.36	NA
<u>Natural Gas</u>				
	<u>Customers<sup>2</sup></u>	<u>Total Complaints</u>	<u>Per 1,000</u>	
WGC	537,977	163	0.30	0.39
WEPCO	398,508	67	0.17	0.19
WPSC	217,300	24	0.11	0.11
Alliant	154,083	28	0.18	0.17
MG&E	112,580	17	0.15	0.23
NSP	79,052	10	0.13	0.24
WF&L	49,831	2	0.04	0.15
SWL&P <sup>3</sup>		1		
<u>Electric</u>				
WEPCO	1,006,013	797	0.79	0.75
Alliant	399,538	136	0.34	0.30
WPSC	384,465	98	0.25	0.16
NSP	222,049	48	0.22	0.34
MG&E	125,718	55	0.44	0.54
SWL&P <sup>3</sup>		5		
<u>Water</u>				
Milwaukee Water	160,385	51	0.32	0.18

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cc: Jeff Butson  
Bill Esbeck  
Annemarie Newman  
Paul Nelson

1 The most recent data is from 1999 annual reports. Data on number of customers is not available.

2 Customer data is from 1999 annual reports.

3 Customer data for Superior Water Light and Power is filed confidentially.

**ATTACHMENT**

**2000 QUARTERLY COMPLAINT COUNT BY UTILITY TYPE**

	<b>TELE</b>	<b>ELEC</b>	<b>GAS</b>	<b>WATER/SEWER</b>	<b>NON-JUR</b>
Billing and Credit	1,163	164	73	58	4
Service	490	39	11	3	2
Provider to Provider	13	0	0	0	0
Other	90	6	0	0	37
<b>1<sup>st</sup> Half Total</b>	<b>1,756</b>	<b>209</b>	<b>84</b>	<b>61</b>	<b>43</b>
	<b>TELE</b>	<b>ELEC</b>	<b>GAS</b>	<b>WATER/SEWER</b>	<b>NON-JUR</b>
Billing and Credit	1,168	847	210	60	2
Service	704	116	13	6	4
Provider to Provider	19	0	0	0	0
Other	91	6	3	0	13
<b>2<sup>nd</sup> Half Total</b>	<b>1,982</b>	<b>969</b>	<b>226</b>	<b>66</b>	<b>19</b>
<b>YTD Total</b>	<b>3,738</b>	<b>1,178</b>	<b>310</b>	<b>127</b>	<b>62</b>